Lessons Learned

I. Anti-Social Behaviour / Neighbour disputes

1) Leaseholder's neighbours were causing communal property damage in their residential building. Client came to CAB for advice after contacting LBS Housing Officer and receiving no response from them. She wanted to know if there was anything she could do to get her neighbours to stop the anti-social behaviour. Client was informed that there is usually a covenant in the leases which states that LBS will ensure others in the block will observe their contractual obligations and if they fail to do so they council will assist the leaseholder in taking action in order to protect the rights of the leaseholder. If the council fails to take appropriate action then they may be in breach of their contractual obligations under the lease.

   Client was assisted with making a formal complaint following the complaints procedure. Stages one and two were unsuccessful. Client decided to go to the Housing Ombudsman who is looking into the case.

   Lessons Learned:

   - Respond to complaints in time/ follow the procedure
   - ????? why in your opinion the complaint was unsuccessful and what it could have been done in your opinion not to end to HO?
     - The council in their opinion were following their protocols and procedures for dealing with this. I have found that if the neighbour causing the issues is a council tenant then the process can take longer. This is because the council, as a social landlord, must follow legislation and it can seem to the recipient of the nuisance that nothing is being done.

2) Leaseholder's upstairs neighbour (also a leaseholder) has been very noisy late at night and early in the morning. He is abusive to neighbours and recently started renovating the above flat the rubbishes in the communal garden. Leaseholder has had reported the neighbour to the Council and the police several times but client feels the Council has not taken sufficient action. Client finally came to Citizens Advice because as a result of the work water was leaking into client's bathroom.

   We filed a stage one complaint on his behalf. The Council responded but the leaseholder found this unsatisfactory. We then went to stage 2 and the council agreed that they had not responded effectively and they were now taking steps to enforce the terms of the other leaseholders lease.

   Lessons Learned:

   - Respond to complaints in time/ follow the procedure

II. Disrepairs / leak from above

3) Leaseholder had several leaks over a 2 year period. She came to Citizens Advice and we helped her to raise Stage 1 and Stage 2 complaints. Client was offered £1040 in compensation for the delays in resolving the leaks. We did not believe this offer reflected the damages and the stress she had endured over the two year period. We therefore submitted an Arbitration application on her behalf and represented client at the hearing.

   Findings:

   The Panel decided that the Council breached their contractual repairing obligations under the terms of the lease agreement and statutory repairing obligations under section 11 of the Landlords and Tenant Act 1985 and were liable.

The Panel accepted that there had been an unreasonable and avoidable delay in remedying matters.

Outcome: Cl was awarded £9714.91

Lessons Learned:

- Delays in repairs end in much more costly expenses & compensation **£9,714.91**

4) Client is a leaseholder and suffered leaking during a storm. The issue was reported to Southwark Council who failed to resolve the problem properly. The client's living room became unusable due to her health conditions and the repairs took almost 16 months to be fully completed. We assessed the grounds for redress and represented the client at arbitration where the client was awarded £6,422 in compensation.

Lessons Learned:

- Delays in repairs end in much more costly expenses & compensation **£6,422**

III. Heating/ Hot water

Disconnection

5) Leaseholder for almost 13 years in full-time employment. Over recent years her service charge bills have increased so much that she is struggling to pay. Client pays for heating and hot water as part of her annual service charges and this has been the biggest increase over the last few years. She said she can no longer afford service charge payments and wants to disconnect from the heating and hot water system.

   Client wanted to know if she would be allowed to do this. We informed Client that the Council has advised that they currently have a policy not to accede to requests for disconnection by individual leaseholders as that would unfairly increase the burden on the communal boiler system on the rest of the leaseholders. They advised that if enough disconnections were permitted it would reach a point where the communal boiler system would be altogether uneconomical to run, leaving the Council with a landlord's obligation to supply a communal boiler service to those who have not opted to disconnect.

   Client was not happy with this response. We then went through her options for dealing with service charge payments including income maximisation.

   Lessons Learned:

   - Not clear what is the lesson learned here please detail what it could have been done different, Thanks
     - Don't think there is a lesson learned here unfortunately. Being able to disconnect from district system has been discussed at FTT a number of times and so far arguments for this has been rejected.
     - HOWEVER, as you can see from case below. LBS appear to tell leaseholders different things which can be misleading.

6) Leaseholder has very high heating and hot water bills says he wants to disconnect from the council's communal heating system but has been told by a council officer on the phone that he would have to pay the council GBP15,000 for the disconnection. He wants to know why he would have to pay such a high fee. We informed Client that leaseholders are not usually allowed to

disconnect (for the reason in Case study 5). We advised client to write to Council to get a full breakdown in costs of the works. We also suggested that he get an independent surveyor if he could afford it.

NB: I thought these were interesting cases as it seems clients in case studies 5 and 6 have been told different things.

Lessons Learned:

- It seems that It is a lack of a clear procedure cross the Council

7) Freeholder who is serviced by the district heating and hot water system has received a section 20 notice for boiler repairs costing in the region of £39,000. Client enquired about disconnection and he was told that it would costs £23,000. Client was not told why disconnection would cost so much. We advised client to write to Council to get a full breakdown in costs of the works. We also suggested that he get an independent surveyor if he could afford it. Furthermore, after reviewing his deed of transfer, we informed him that as long as his property could be disconnected and the communal supply capped without interference with a neighbouring property's supply, he could have an independent specialist disconnect from the district system.

Lessons Learned:

- It seems that It is a lack of a clear procedure cross the Council

IV. Poor Heating

8) Leaseholder had been experiencing issues with heating for a number of years. Her radiators had poor circulation and sometimes would not heat at all. Client called Council each time there was an issue. The Council sent someone to investigate but they would change an item on the radiator which did not fix the issue. After complaining to local MP, a proper investigation was done and it established that there was a blockage in pipe leading to her flat which was causing the poor circulation. Client then asked to be reimbursed for the heating she had not been receiving. The Council refused so we helped her with complaints process. Council did a detailed investigation at stage 2 and client was compensated for lost heating.

Lessons Learned:

- Delay in repairs would increase the overall cost inclusive compensation
- Also council's failure to properly investigate issues when originally reported.

9) Client called the service saying she has no heating in her flat even though she is paying a large sum of heating and hot water costs to the council via service charges. She contacted the council several times to report the issue but the council did not repair. The last time she called them she was told that the council was not responsible for her heating as client is a leaseholder. Client wanted to know if this was the case. She was informed by Citizens Advice Southwark that if she is connect to district heating and her lease imposes on the Council an obligation to provide this service then the lease will also impose an obligation on the council to undertake any communal or structural heating repairs. The council should have at least gone to investigate the problem. Client was advised to put in a complaint which she did. She was compensated for loss of heating and Council came to do repairs.

Lessons Learned:

- Delay in repairs would increase the overall cost inclusive compensation
- Also some employees are not clear with the repairs process. This is not the first time a leaseholder has been told that council is not responsible for communal repairs.

10) Leaseholder is connected to the district heating system. The heating and hot water system had been breaking down persistently in his block for a year and a half, even though major works had been done on the system not too long before. He made a stage 1 complaint to Southwark Council but he did not agree with the response. Citizens Advice drafted a stage 2 complaint letter and submitted it on Client A's behalf. He was offered £250 in compensation but he was not happy with this outcome as the system continued to breakdown. We then submitted a Southwark Arbitration Service application on the client's behalf and represented him at the hearing.
Outcomes
- The Panel ordered that specific works be done on the system and an efficient back-up battery is fitted at no cost to him.
- Client A was also awarded the sum of £650.
Lessons Learned:
- Delay in repairs would increase the overall cost inclusive compensation £650
- The key thing in this case is that the client had already paid a large sum for major works on a replacement boiler system not too long before but it was still breaking down.

V. Costs

11) Leaseholder received actual annual service charge cost of £2,704.53. The estimated cost was £1448.76. The difference is £1255.77. The biggest difference was the heating cost. The actual is £1,445.03; estimated cost was £661.30.

When client called her collections officer and questioned the above charges, she was advised to pay amount in full within 30 days from the letter. Client couldn't afford to clear in 30 days; she also wanted to challenge the high heating costs. We helped her request information to understand charges increase in charges. Most of it was attributed to non-boiler repairs. Client decided she did not want to challenge but we helped her negotiate paying the costs over the rest of the financial year instead of in one payment.
Lessons Learned:
- When high actual costs, higher than 25%, to the estimate would be indicated a payment plan rather than 30 days clear balance

12) Leaseholder went to FTT last year on ground that major works and annual service charges charged by the Council for heating costs were excessive. Her argument was that there should be a 70% reduction in heating costs; the FTT agreed to 25% reduction. The Council is appealing on grounds that there should not be any reduction. Client's counter appeal is that the reduction should be higher. We helped client put together her submissions and to gather documents and evidence. We also helped client with a pro bono solicitor application.

Council decided to withdraw from appeal and wiped client's major works costs in lieu of the reduction.

13) Client is a freeholder who bought in 1989. He has been paying service charges ever since but these bills were quite low until recently. Last year, he received a bill for approx £3,000 for service charges and has been requesting an itemised breakdown of this bill ever since. He still had not been provided with this and the collections officers have lately started ignoring his emails and phone messages completely.
Lessons Learned:

- Explaining to the reasons of the costs and giving hard proof would stop the escalation

Client wants to know what he is paying for and asked the bureau to request a breakdown of the bill on his behalf. We did this and his bill shows that the costs were for heating and hot water only. Upon review of the breakdown we saw that most of the cost was associated to repairs. We explained to client how he could challenge these costs but he did not wish to do this. We also helped him to apply for Pensions Credit which helped him cover some of the costs of his service charges.

Lessons Learned:

- Explaining to the reasons of the costs and giving hard proof would stop the escalation

VI. Service Charges / Major Works

Change of Circumstances

14) Client and wife are both retired. He is 77 years old and property is mortgage free. Client was working up until last year to keep up with service charge payments but he had to stop due to his age. This happened the same time MW was done and he was asked to pay £11k. Client defaulted on payments and wanted to put the amount as a charge on property. LBS said no. Leaseholder has one opportunity to make arrangement with Council. Then the costs are due in accordance with the lease. If no attempt made to pay costs then Council will recover through the court. This is the council's policy.

Lessons Learned:

- How did this case ended? Did the council recover the money or they are still in Default?
- Client has a CCJ and LBS are in the process of putting a charge on the property. NB: Their estimated annual service charges are approximately £3800 a year and the last 2 years they have received about £1000 back. This was put towards the major works debt so the charge will be just over £7k.

15) Client is retired and had major works done to his building. He set up a repayment plan for the £32,000 over six years no interest. His son was covering this and paying £514 per month. The son then lost his job with £15k left to pay.

Client wanted to put the rest of the debt as a secured charge on the property. We liaised with LBS on client's behalf and they said no. To have a charge put on property the above (see case study 12) must be done.

Lessons Learned:

- How did this case ended? Did the council recover the money or they are still in Default?
- What is actually the procedure?
  - Their policy is when a leaseholder defaults on the agreement – regardless of reason – the whole amount becomes due in line with the lease. The only way a charge can be put on the property is if the court procedure is followed. This seems a bit unfair. Especially if the leaseholder wants to challenge the costs of works later. They won't be allowed to as they have 'admitted' the costs.

Misallocation of Payments

16) Leaseholder came to CAS for advice on a number of issues. She had recently lost her job and decided to go back to school. She was due money from Student Finance but this was taking time to come through. She had fallen behind with her annual service charge monthly payments. We helped her to renegotiate payments and client set up a payment plan. Two months later collections officer said they had not received any payments and sent letter to her mortgage lender asking them to clear the arrears of £660. She informed mortgage lender that there was a plan in place and that they should not pay LBS. Client provided evidence to LBS that payments had been made. LBS managed to find payments but mortgage lender paid LBS even though they were instructed not to. Mortgage lender then requested LBS return the money. LBS said policy is they must have permission of leaseholder/s. Client bought lease with her ex-husband who was still named on the lease. She however had no contact with him as it had ended very badly. LBS therefore refused to return the money. Client then had to leave money with LBS and renegotiate plan with mortgage lender.

Issue was caused because Council failed to correctly allocate payments even though this was the only outstanding debt with them. The also did not contact her again before requesting mortgage lender pay the arrears. Furthermore, when mortgage lender contacted LBS they said there was no payment plan in place.

Lessons Learned:
How did this case ended? Did the leaseholder get compensation for the Council's error?

- Council apologised but no compensation offered.

17) Leaseholder received an estimated service charge invoice. She set up a 1 year interest free repayment plan and was paying £311 a month. Client had evidence of this and the slips clearly referenced the correct invoice.

LBS stating that client was in arrears and wrote to her mortgage provider asking them to clear the arrears. Even though client told them not to as money had been paid it was an issue of allocation, her mortgage lender paid service charges.

Lessons Learned:
How did this case ended? It looks as a double charge, did the leaseholder get the money back?

- The payments were allocated. If cl has no arrears then the money would be refunded to her if she requests it. Otherwise they go towards arrears.

18) Client received actual for service charges bill which was higher that the estimates. She wanted to know why the costs had increased but when she asked her collections officer for more information she got no response. Client came to Citizens Advice for help. We put in a request for a full breakdown of service charge costs over previous 12 months relying on sections 21 and 22 of the Landlord and Tenants Act 1985. When we received and reviewed the breakdowns, it was established that client's service charge costs were not calculated in accordance with her lease. This was highlighted to LBS who subsequently reduced and reissued the bill.
Lessons Learned:

- Follow the procedure, governance to be improved

VII. Other Admin Problems

19) Leaseholder, 84 and working part-time, received a section 20 Notice informing her about major works scheduled to take place on her estate. Cost was £27,819.84. Leaseholder was advised on her options and decided on a voluntary charge on her property. Property is mortgage free but Collections Officer was under the impression that the mortgage lender had a charge on the property. Leaseholder had proof that the mortgage had been discharged and that she had contacted LBS to inform them. She then had to supply the documents again so that LBS could update its system. It took 2 months to resolve this issue.

Lessons Learned:

- Follow the procedure, governance to be improved

20) Leaseholder has 2 outstanding amounts for service charges - £3,700 and £1,700. Client completed LBS agreement so that mortgage lender would pay both. The mortgage lender only received request for £3,700 and paid this. The £1,700 remained outstanding and Council admitted that this was their mistake.

LBS has now put in the request to mortgage lender for the £1,700 to be paid but the provider have a policy that a section 146 is needed if request isn't made in the early stages. We offered to help client put in a formal complaint but client had terminal illness and decided not to pursue. Instead his son took out loan so he could clear the costs.

21) Client is a freeholder who bought a Southwark Council property from a private previous freeholder. He was being charged service charges and wanted to dispute this. We advised him on his legal rights and obligations, collected evidence and put forward an argument based on equitable grounds to Southwark Council. They passed this on to their legal team who eventually confirmed that the client is not liable for service charges. The client will not be billed further and is due a refund of £787.81 for three service charge years since moving in.

Lessons Learned:

- Follow the procedure, governance to be improved

22) Leaseholder bought flat 2 years ago using RTB. Section 125 states service charges should not be more than £2,468 a year for the first 5 years. However, client was charged £2,931 for annual service charges. We helped client to challenge as legislation states that service charge costs shouldn't exceed figures stated in the s125. We put in complaint and Council agreed that service charge bill would be capped at amount on completion statement.

Lessons Learned:

- Follow the procedure, governance to be improved

23) Non resident Leaseholders estimated contribution for major works was £8,916.01. Client cleared this within a year. Client then received actual bill 6 years later and it stated that she owed an additional £5,148.56 bringing the actual invoice amount to £14,064.57. The client wanted advice on time limits for demanding outstanding costs. It was established that the Council had served a section 20B on the leaseholders which meant they could send invoice anytime after that. Client had to pay difference but we helped client to negotiate something more affordable.

Lessons Learned:

- Why was the variance 40% higher and why it couldn't be challenged from the planning stage?
  - The rules surrounding time limits is that an invoice must be issued within 18 months of incurring costs, e.g. receiving invoices for the works. If an invoice can't be issued to the

leaseholder then a section 20B notice must be issued within 18 months. If they had not done this within the 18 months she could have argued that the additional £5k is not recoverable.

- This doesn't stop client from being able to challenge the costs on ground of reasonableness but because client lives abroad in Spain. She did not want to start proceedings in the FTT.

VIII. Non-resident Leaseholders

24) Leaseholder is a non-resident leaseholder. She has been unemployed for some time and had to rent out property so she could afford to pay associated costs of owning a leasehold property. Leaseholder was then issued with a major works bill of approximately £9,000. She wanted to set up an extended interest free repayment plan over 3 years and came to Citizens Advice for help with this. However, as a non-resident leaseholder this was not an option for her. This is something we could not help with so client instead took out a loan to cover the costs.

IX. Reasonableness of Costs

25) Client says the council is in the process of carrying out major works in his estate. They erected scaffolding to paint the railings but the paintworks did not take more than just a few days. The scaffolding was up for six months and part from those few days when it was in use the scaffolding was not used at all. When the railings were painted the scaffolding was taken down. The Client then found out from the contractors that they were planning to erect scaffolding again shortly to paint the facade of the building. Client wanted to know if he could challenge this as he did not think it fair to pay for the total cost of scaffolding. He has spoken to Council but was unsuccessful in getting information from them about the works. The works were not finished and client only had estimated costs at the time he came to Citizens Advice.

We found out who the contract manager for this project was and he advised that the contractors will get paid by the number of day/weeks the scaffolding was up and in use. This will be noted at final account.

We informed the Client that the project managers should pay visits to the site and sign of works on completion. Client was told to send evidence of the contractors not carrying out works to the project manager.

Client has not been aware that the works are signed off by a project manager at the Council. He was happy for the information he had received. Client was also invited to come back when he received the actual bill if he was still unhappy.

Lessons Learned:

- Council and Leaseholders would equally benefit from Stronger Contract management

26) Leaseholder came to Citizens Advice Southwark after Southwark Council started court proceedings for non-payment of Major Works - Service Charges amounting to £24,500, plus costs. She received legal help putting in her defence and successfully had the hearing transferred to the First-tier Tribunal (Property Chamber). MP referred her to Citizens Advice Leasehold Project as she could not afford to pay for more legal assistance.

We were able to help her review Southwark Council's bundle and respond to it, prepare her witness statement, develop defence arguments and put together her bundle. We also supported her at the hearing.

First-tier Tribunal held that the major works were not allowed by the terms of client's lease and, therefore, she is not liable to pay the costs of the works.

Outcomes
Client does not have to pay £24,500
Client has a better understanding of her lease.

Lessons Learned:

- Council has to pay more attention to detail when cases there are escalated to prevent further escalation

X. S20 Consultation

27) The Council carried out major works in Leaseholder's estate but they failed to undertake a consultation with the leaseholders prior to the start of the works. When the leaseholder initially liaised with the Council they admitted liability on their part and agreed to recover no more than GBP250. They then changed their position insisting they are entitled to recover the total cost of the works.

The Council said that s20 consultation only applies to major works, not annual service charges. This is incorrect. Neither the lease nor the regulations distinguish between major works and annual service charges. The rule is very clear, if the works cost more than GBP250 per leaseholder than the freeholder must consult the leaseholders BEFORE the works start. We helped client to challenge this and costs were capped at £250.

Lessons Learned:

- Improve the way the procedures are applied/ training

28) Contractors replaced the front door of Leaseholder's property. A section 20 Notice was not served for this until after the work had been completed. It stated that the Client must pay £1001 for the door.

We believed and argued that this represented a breach of the Section 20 consultation requirements. We wrote to Southwark Council on behalf of Client B.

Outcome: Cost of door was capped at £250. Reduced from £1001.

Lessons Learned:

- Improve the way the procedures are applied/ training

29) Client is a freeholder of ex-council property. He received a Notice stating that he may be liable for costs of around £1,300. Client was unhappy as he states that the roofs were repaired a few years ago and should not need to be done again. We helped client to raise observations. Southwark responded that upon further investigation roof repairs were now only minor. His portion will be under £250.

Lessons Learned:

- Council and Leaseholders would equally benefit from Stronger Contract management

XI. Other

30) Client bought his flat using right to buy process less than five years ago. He was recently the victim of a hate crime that took place near his home; he no longer feels safe and wants to sell his home as quickly as possible. When he first spoke to Southwark Council they told him under the conditions of right to buy if a purchaser sells the property within five years of buying it they will have to pay back a portion of the discount received; they implied there was no exception to this. Client contacted us to see if there was anything he could do.

Section 155 of the Housing Act 1985 states that former landlords have discretion not to demand that former social tenants should repay part or the entire discount they received. There is also guidance on when it might be appropriate to exercise this discretion. We drafted an email for Client to send to Southwark Council.

Southwark Council agreed to use their discretion to allow Client not repay the discount. Otherwise he would have had to repay a fifth of his right to buy discount. Southwark Council has also agreed to amend their policy on this for future cases.

Lessons Learned:

- Council could use test cases to improve its procedures